

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chairman*

JOSEPH E. CONNARTON, *Executive Director*

Auditor SUZANNE M. BUMP | KATHLEEN M. FALLON | KATE FITZPATRICK | JAMES M. MACHADO | ROBERT B. MCCARTHY | JENNIFER F. SULLIVAN

MEMORANDUM

TO: Watertown Retirement Board
FROM: Joseph E. Connarton, Executive Director
RE: Appropriation for Fiscal Year 2020
DATE: November 27, 2018

Required Fiscal Year 2020 Appropriation: **\$8,300,956**

This Commission is hereby furnishing you with the amount to be appropriated for your retirement system for Fiscal Year 2020 which commences July 1, 2019.

We have not provided the projected appropriations for the next five years in this memorandum. As we mentioned in our November 26, 2018 memorandum, we approved the most recent funding schedule through FY20 only. We understand that the Board is having another valuation performed as of January 1, 2019. We will approve appropriation amounts beyond FY20 upon its completion.

Attached please find the portion of the Fiscal Year 2020 appropriation to be paid by each of the governmental units within your system. The allocation by governmental unit was determined by the Sherman Actuarial Services as part of its January 1, 2018 actuarial valuation.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446 Extension 921.

JEC/jrl
Attachment

cc: Town Council
c/o Town Clerk
Town Manager

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Breakouts

	<u>Total</u>	<u>All Others</u>	<u>Housing</u>
(1) Participants			
(a) Actives	523	511	12
(b) Retirees	363	355	8
(c) Inactives	165	165	0
(d) Disabled Retirees	<u>62</u>	<u>62</u>	<u>0</u>
(e) Total	1113	1093	20
(2) Payroll of Active Participants	\$33,501,993	\$32,692,152	\$809,841
(3) Normal Cost			
(a) Total Normal Cost	3,625,996	3,541,408	84,588
(b) Expected Employee Contributions	2,967,979	2,903,032	64,947
(c) Administrative Expenses	<u>320,000</u>	<u>312,535</u>	<u>7,465</u>
(d) Net Employer Normal Cost (a) - (b)	658,017	638,376	19,641
(4) Actuarial Accrued Liability	206,008,967	200,838,613	5,170,354
(5) Assets*	<u>181,766,705</u>	<u>177,204,776</u>	<u>4,561,929</u>
(6) Unfunded Actuarial Accrued Liability (4) - (5)	24,242,262	23,633,837	608,425
(7) Amortizations*	23,488,794	23,282,442	206,351
(8) Total Required Employer Contributions (3d) + (7)	24,146,811	23,920,818	225,992
(9) Fiscal 2019 Cost	\$18,448,742	\$18,148,742	\$300,000
(10) Fiscal 2020 Cost	\$8,300,956	\$8,093,393	\$207,563
(11) Fiscal 2021 Cost	\$810,596	\$603,033	\$207,563
(12) Fiscal 2022 Cost	\$804,796	\$597,233	\$207,563
(13) Fiscal 2023 Cost	\$787,664	\$580,101	\$207,563
(14) Fiscal 2024 Cost	\$627,263	\$613,392	\$13,871
Percentage of Total Cost	100.0%	97.5%	2.5%

* Allocation is based on the ratio of the Unfunded Actuarial Accrued Liability
The Housing Authority's Unfunded Liability is amortized to 2023